

**WTO HIGH LEVEL SYMPOSIUM ON TRADE AND ENVIRONMENT  
MARCH 15-16, 1999**

**INTRODUCTION AND OPENING SESSION**

**STATEMENT OF THE UNITED STATES**

We welcome this first-of-a-kind opportunity to meet with senior trade officials, senior environmental officials and civil society to discuss the critically important relationship between trade and environment. As President Clinton said in calling for this meeting at the May 1998 Ministerial Conference, we have a unique opportunity through our discussions over the next two days to “*provide strong direction and new energy to the WTO’s environmental efforts in the years to come.*”

This meeting brings together a unique group of people: Government representatives; members of the business community and non-governmental organizations; experts and academics in trade, environmental law and other fields. It is a diverse group – but like the people we all represent, the things we share are far more important than our differences.

Each of us wants a prosperous world, in which our nations find opportunities to grow and our people can use their talents to the maximum extent.

And each of us wants a healthy world, which offers its people clean air and water; which protects our heritage of unspoiled lands and abundant wildlife; and which ensures safe, reliable supplies of food and clean drinking water. In this connection, we should bear in mind that as we speak of the environment, we are also talking about health and safety.

That is the future envisioned in the Preamble to the WTO, which establishes sustainable development as a fundamental objective of the trading system. In this Preamble, the WTO members recognize that trade is not an end in itself and that sustained economic growth must be pursued in the broader context of sustainable development, which integrates economic, social and environmental policies.

We would not minimize the complexity and hard work that it takes to achieve such policy integration. However, it is clear that in the long run no country can have a prosperous economy without a healthy environment and vice versa. Trade policies must be complemented by policies that provide for high levels of environmental protection and effective enforcement at the national level. And, the trading system must be supportive of these goals.

The Appellate Body has stated that the commitment to sustainable development spelled out in the Preamble “*must add colour, texture and shading to our interpretation of the agreements annexed to the WTO Agreement.*” We agree. But it means more than that. It also means that we need to integrate this concept into all aspects of the work of the WTO and its future evolution. This commitment has a number of important implications for the issues that we will be discussing here.

As we talk about linkages between trade and environment policies, we have to recognize that policy integration starts at home. Policy coherence at the international level requires that trade and environment officials coordinate and develop mutually supportive approaches at the national level. We have all agreed that this is essential, but much more work is needed to make it a reality.

This means, among other things, that as we look toward the next major round of trade negotiations, it is vitally important that WTO members fully consider the interlinkages between what is under negotiation and the environment throughout the negotiating process. For our part, we are firmly committed to doing so. And in the remainder of my time this morning, let me offer a few principles we believe will help us succeed.

**First, early consideration of environmental effects.** In assessing the interlinkages between the negotiations and the environment, it is, of course, essential that this be done sufficiently early in the process for this input to be taken into account in formulating national positions. We have also found, and commend to you, the importance of public input into such processes.

Reviews of the negotiation's potential environmental effects, both positive and negative, are an important means of identifying trade and environment interlinkages. We have performed such reviews in the context of the NAFTA Agreement and the Uruguay Round and found them to be highly valuable exercises. We will be performing a written review for the new round, sufficiently early in the process to be taken into account in formulating our national positions, based, among other things, on public input, and we would encourage all WTO members to do so. We are pleased to hear that a number of other countries are also contemplating such reviews.

We believe that it would be useful to share the results of these reviews with one another. In this connection we have made available to other delegations, through the good offices of the Secretariat, copies of our NAFTA and Uruguay Round reviews and we have been gratified by the interest that these reviews have attracted.

**Second, transparency and accessibility.** We must recognize the need to change the way we do business in the WTO to take into account the strong and growing interest of our publics in the work of the WTO. Lack of transparency and openness provide a fertile breeding ground for mistrust and misunderstanding. At the May 1998 Ministerial, President Clinton called on the WTO to boldly embrace change by opening its doors to the scrutiny and participation of the public. In this regard, we believe that it is imperative to move forward on the proposal that Canada and we have before the WTO General Council that would greatly improve public access to WTO documents. We should be clear that the presumption should be that WTO documents must be available to the public unless there is a compelling reason to restrict them. In the WTO Dispute Settlement Body's review of the Dispute Settlement Understanding we and other Members have tabled proposals to provide greater openness in the dispute settlement process. Beyond that, we believe that we must be more creative in findings ways for the WTO to work

more closely with civil society. The trade and environment symposia that the WTO Secretariat has hosted in years past have shown, and we are confident that this meeting will confirm, that both government and non-government participants have much to learn through such interactions and that we all can benefit from them.

**Third, recognizing the right of members to achieve high levels of environmental protection and consumer safety.** We must work together to ensure that the rules of the multilateral trading system strike the right balances. In our efforts to open markets and develop effective rules to address trade protectionist actions, we must be vigilant not to overshoot the mark and inappropriately constrain the ability of members to pursue other important and legitimate policy goals. This means, for instance, that we must continue to recognize the right of Members to achieve those levels of health, safety and environmental protection that they deem appropriate -- even when such levels of protection are higher than those provided by international standards.

**Fourth, we must look for ways to work together in the WTO to more effectively integrate environmental considerations into our work.** As we prepare to embark on the next round of trade negotiations, we must also recognize that issues relating to trade and environment permeate the work of the WTO and must be appropriately addressed in the various negotiating groups and other WTO bodies where they may arise. We believe that it would be useful to provide a forum within the WTO where members can identify and discuss links between areas of negotiation and the environment. We will be sharing some thoughts with you on how this might be done a little later.

**Fifth, seeking out areas in which we can simultaneously promote growth and improve the environment through open trade.** We need to identify areas where trade liberalization holds particular promise of also yielding environmental benefits, and we must take full advantage of such opportunities. Substantial reduction of trade distorting agricultural subsidies and elimination of subsidies that promote over-fishing are important cases in point to which we will return later in the discussion. Another case in point is the elimination of restrictions and distortions on the sale of environmental goods and services. However, we should not stop our analysis here. We should continue to work towards identifying win-win possibilities where ever they may be.

**Sixth, cooperation between the WTO and international environmental institutions.** We need to strengthen cooperation between the WTO and other international organizations dealing with environmental matters. We believe that one important means to achieve this objective is cooperation agreements. We strongly welcome the fact that UNEP has expressed an interest in having such an agreement with the WTO and urge support for this initiative.

Looking beyond the work of the WTO, another way that countries can work together to ensure that trade and environmental policies are mutually supportive is through introducing and harmonizing upward environmental guidelines for Export Credit Agencies. Such agencies provide

financing for exports at rates and terms not otherwise available to many buyers. While respecting the right of countries to set their own levels of environmental protection, it is important that taxpayer-supported financing be used in a way that is fully supportive of sustainable development. The OECD is doing some important work in this area which we believe can yield valuable results.

In closing, I would like to recall a comment made by President Clinton at the May 1998 Ministerial,

*“In order to build a trading system for the 21<sup>st</sup> century that honors our values and expands opportunity, we must do more to ensure that spirited economic competition never becomes a race to the bottom in environmental protections, consumer protections or labor standards. We should be leveling up, not level down. Without such a strategy, we cannot build the necessary public support for continued expansion of trade. Working people will only assume the risks of a free international market if they have confidence that the system will work for them.”*

I would like to thank Director-General Ruggiero for his leadership in organizing this symposium and Sir Leon Brittan for his initiative in calling for such a meeting. This is an unparalleled gathering of senior government officials and civil society and we greatly appreciate the hard work that has gone into arranging it. We very much look forward to listening, learning and interacting over these two days.